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DUTCH PARTICIPATE FULLY IN NATO CONVENTIONAL ARMS PROGRAM

Rotterdam NRC HANDELSBLAD in Dutch 11 Aug 81 p 3

[Article by Rob Meines: "Dutch Stay in Step With NATO Conventional Weapons Program"]

[Text] Rotterdam, 11 Aug--In view of the mutual feelings of displeasure between the United States and some European NATO countries concerning cruise missiles and neutron bombs a conspicuous silence surrounds the decision to increase and improve conventional arms. The Netherlands, for instance, is executing as faithfully as possible the plans agreed upon with the Americans in May 1978 to ensure a better response to an attack with conventional arms by the Warsaw Pact countries.

This goes on without a hitch. The paragraph on this subject in the final report of the consultants to the cabinet formation, Lubbers, De Koning, and Van Thijn, was mainly accepted at face value. Even so, its consequences will be far-reaching. The final report says: "The defense effort remains focused on the execution of the Dutch contribution to the NATO Long Term Defense Program." This long term defense program, known as LTPD in defense circles, as adopted in 1978 by the NATO nations, is very ambitious.

The LTPD consists of 10 main points:

--General improvement of the fighting capacity, in particular of antitank units. Airplanes must be equipped with more modern air-to-ground missiles and defense capabilities against chemical weapons must also be expanded;

--In the event of a crisis or an attack efforts to strengthen units at the scene of action should be accelerated, while general readiness should be stepped up. The former means that good arrangements must be established with all kinds of civilian enterprises (like the KLM and transportation companies) to ensure their participation in times of crisis and war. In European countries more and bigger depots will be established to store material for American troops who can then be deployed more quickly;

--Reserve units must train more often and be better armed as they are using very obsolete equipment in some countries;

--The marines must be better protected against air attacks, while the commando, control, and communication structure must be improved;

--Based on meticulous planning air defenses must be improved by better cooperation, better combat planes, and better antiaircraft weapons on the ground;

--Considerable improvement of the entire communications, control, and command structure is needed. This is especially needed for political consultations in times of crisis. In other words, the troops at the front must be able to maintain contact with their commanders, who should remain in constant contact with their governments;

--Urgently needed is a program to improve equipment for electronic warfare; interruption of the enemy's communications, protection of our own communications against phone tapping, etc. A lot of research is needed in this area. It is an essential but very expensive program;

--Rationalization through standardization and the possibility of exchanging weapons and material between the member nations.

NATO circles in Brussels tell us that the Netherlands is doing quite well as regards the execution of this program. It contributes to five points, especially those mentioned in the Explanatory Memorandum to the defense budget of the current year.

In the first place, the availability of reception facilities for reinforcements from the United States. This means that depots are under construction and sites are still being selected to store weapons for a number of American divisions. In addition: the means to transfer these divisions to the front in time of war.

A second important Dutch promise concerns stepping up the responsiveness of the Dutch First Army Corps stationed in the FRG. The responsiveness of air force units is also being improved. It means that in peacetime more units of the Royal Netherlands Air Force will be placed under NATO's operational command. "All fighter planes, with the exception of the squadron in charge of training in peacetime, will from now on receive this status of so-called 'command forces'" (Explanatory Memorandum).

The Netherlands has also promised to assist the poorer NATO countries, Portugal and Turkey. Turkey received on a "noncommercial basis" the Dutch Star-fighters replaced by the F-16. Finally, a special Dutch initiative is being studied to arrive at a naval force which can instantly be deployed. If the West European nations create this extra naval force the U.S. Navy will have a better opportunity to operate in the Persian Gulf area. However, the chance of this point really being executed is very small, as it is very expensive.

Not much imagination is needed to realize that these conventional arms plans (will) cost the NATO--and the Netherlands--a lot of money. In May 1978 it was agreed that these extra efforts would be financed by a 3-percent annual real growth in the defense budgets. Up till now only Norway has complied with this figure.

In the Netherlands a cabinet is now being put together on the basis of agreements between Lubbers, De Koning, and Van Thijn and the chairmen of the fractions of the three aspiring coalition partners. Not one of them had any reservations regarding the clear statements on the conventional long term NATO defense program.

Last week a high ranking American NATO official in Brussels gave the following commentary:

"We are very pleased that a completely unexpected agreement has become a part of the foundation of a new cabinet in the Netherlands. However, we believe that it was more to make it clear to the NATO partners that the Netherlands is prepared to fully participate in the area of conventional warfare, as opposed to the area of nuclear arms, than that the party leaders realized what the consequences of the agreement will be."

10319

CSO: 3105/162

EDITORIAL ANALYZES TERRORIST INCIDENTS IN PIRAEUS

Athens I KA...IMERINI in Greek 24 Jul 81 p 5

[Editorial: "Imported Crime"]

[Text] What the true causes of this week's bloodshed in Piraeus are, may or may not be discovered by the police investigation. But this is not the most interesting aspect of this criminal act. What is of interest, what must attract the full attention of the authorities and of public opinion, is the total disregard shown by the murderers toward the lives of innocent people; those who out of curiosity or concern rushed to the point where Angelikousi and her employee were murdered and others were wounded in the explosion of the powerful bomb left by the murderers.

The executioners must have settled some serious accounts, no doubt, by mortally shooting their two victims. Those accounts are rather unlikely to include the anger of the "poor unemployed" deceived by those suis generis "agencies for maritime employment to aliens." The scenario of the assault would have been different in that case. Above all, the time bomb would not make any sense, since it was set to explode much later--15 to 20 minutes later, according to some of the wounded--after the escape of the murderers. A few minutes or even seconds are sufficient for the escape of those committing such acts, especially when they hold their automatics threateningly at anyone who dares to come close, and when they throw nails on the street to blow out the tires of any pursuing cars. The bomb, in other words, was not a diversionary tactic.

What, then, did they need it for? What kind of "services" was it to offer to the executioners? This question is precisely what needs to be answered in order to help the "modernization" of the way we confront the so-called "imported" crime, both as citizens and above all as police authorities.

The evidence so far indicates that the time bomb was not placed there to cause the complete destruction of the victim's office, but to terrorize--regardless of whether it was to kill or not--those who would enter the maritime agency after the escape of the murderers. If the murderers wanted to destroy, along with Angelikousi, any records she kept, which they did not want to be found, they would have used a different type of bomb. Or they would have destroyed those records before they killed their owner.

But of what use would be the terrorizing of innocent people in this criminal fashion? It was a show of total contempt for the lives of other people, a way on informing

the Greek people that they should not get involved--even more, not to rush to the aid of victims--when they see some dark-skinned "gentlemen" in the act of murder! These "executioners," having freed their consciousness of any human sentiment, see each victim not as a specific person but as a social group. And they have no hesitation to shoot anyone around. They feel that next time there will be fewer persons that may dare to block their action or to chase them after they have committed their criminal act!

The Greek people and the security forces are not accustomed to crimes with such motives. This is where we need "modernization." The "outstanding" geographic location of our country, which makes it a "bridge" among three continents, has made it also a meeting point for illegal activities serving the high or low interests of these continents and of the others who are dealing with them. It will be difficult to ban those "transactions" in our country by blocking the entry of those involved or their domestic "flowering."

Should we ask them to leave us alone in the name of our blameless behavior on the three continents? They will tell us--and rightly so--that we are exceedingly naive. Shall we hope that crime will be reduced internationally and in this way we, too, will be spared its imported quantities? It is an equally naive expectation.

The only thing left to do--if we do not want incidents such as the one this week to multiply--is to develop a more active role in preserving our tranquility and, especially, our way of life. Without racism or prejudices, we should observe and record every unusual presence or behavior of our alien visitors. In the same way, we have the responsibility to look around, to see if there are any of those idiots who think that they may overthrow the "rotten society" by setting on fire underwear and detergents, in order to prevent senseless losses and human victims. Above all, what is needed is to strengthen the possibilities (not the jurisdiction) of the police. Its organization must reach the levels required by the task of combatting today's international crime. We cannot be stingy in this case. The "cost" in human blood is too great!

7520

CSO: 4621/82

CHANGES PLANNED IN TAX, INVESTMENT LAWS

Zurich NEUE ZUERCHER ZEITUNG in German 12 Aug 81 p 13

[Article by gr.: "Imbalance in Austria's Budget"]

[Text] Vienna, August--No relief is in sight for the critical situation in Austria's state budget. It will not be possible to abide by the revenue or expenditure proposals of the 1981 budget estimates, which Minister for Finance Salcher inherited from Androsch, his predecessor, and the deficit will exceed gross and net estimates (49.8 billion schillings and 25 billion schillings respectively) as well as last year's results (47.5 billion schillings and 29.3 billion schillings respectively) by approximately 55 billion schillings and 30 billion schillings respectively. Following the conclusion of negotiations with civil servants, a gross deficit of 70 billion schillings for next year was mentioned, but Salcher wants to reduce the amount to less than 65 billion schillings during the September negotiations among ministers. In addition to cuts in expenditures, which the minister has set at 5 billion schillings, there will have to be a renewed effort to increase revenues. Consequently, Salcher will resume and continue the "Androsch tradition" of changing tax laws. One ministerial draft has already entered proceedings for a hearing. It contains changes in income, corporation, business and turnover taxes, as well as changes in the assessment law and federal tax regulations.

Less Preferential Treatment of Investments

One of the most important changes concerns tax advantages for investments. The maximum amount for immediate depreciation is to be reduced from 50 to 40 percent of the purchase price for most items; for automobiles it is to be reduced from 25 to 20 percent. For real estate immediate depreciation will be dropped altogether, and the only tax-exempt amount for investments will be reduced from 20 to 15 percent. To make up for a part of these cuts, direct support for investments is to be increased; the note-issuing bank is to provide the "capital" by refinancing titles of the Investment Credit Co. The transfer of inactive reserves is to be restricted when tangible goods are sold. The deductibility of bribes--the acceptance or offering of which violates the criminal code--is to be eliminated; however, this change is not to be applied to so-called commissions paid to foreigners during export transactions.

Abuses that have occurred among so-called depreciation companies--as a rule they use the front of a cooperative with limited liabilities or a limited partnership--have led to a reduction in appropriations for losses similar to the FRG model. Partnerships are no longer able to use losses to balance profits; only future profits of the partnership can be used as a deduction but not other taxable profits. In addition to the proposed indirect reduction in wage and income taxes (compare NEUE ZUERCHER ZEITUNG No 146), a provision is included to increase savings premiums at building and loan associations from 10 to 13 percent and simultaneously extend the duration of contracts from 5 to 6 years as well as increase the maximum rate of assessment from 7,000 schillings to 8,000 schillings at the beginning of the year.

Measures Against Tax Evasion

Similar to the Italian example, beginning with 1982 a generally mandatory auditing requirement is to be introduced; it is, first of all, intended to guarantee the collection of value-added taxes--evasion appears to be widespread--as well as income, corporate and business taxes. All businessmen who operate domestically will have to issue to their clients detailed receipts for down-payments and advances for future shipments and services as well as for payments and settlements of completed shipments and services; if payments are in cash, it must be done immediately, in other instances 3 months after the month in which the service was completed. The minimum size of transaction that falls into this category has not yet been determined. The minister for finance is considering 1,000 schillings, employees representatives want 300 schillings as a "lower limit." If the latter were to be adopted, most restaurant visits would already fall into the category of mandatory audit requirements.

Business managers would have to keep copies as well as all the other relevant tax records for 7 years; buyers would not be required to keep records. If violations of these new regulations occur, the burden would be on business managers to prove the accuracy of their business records to bring about a reversal of the decision. Revenue authorities would have the right to estimate tax bases and, anyway, since the businessman had violated a tax ordinance, he had to expect penalties as a consequence. Buyers could also be penalized if they had intentionally participated in such a tax fraud committed by an enterprise.

A number of tax advantages are scheduled for research activities, among them the introduction of a special deduction for private donations to research and training programs and the exclusion of products that benefit the development and improvement of "economically valuable inventions" from taxable business and other assets.

In addition, taxes on petroleum are to be changed at the beginning of next year. The petroleum tax (a "joint" levy, i.e., federal levy that is shared with Laender and communities on a compensatory basis) and the federal petroleum tax (exclusive federal levy to be applied to federal road construction) will be combined and the total will then be the "joint" federal levy. Tax rebates for agriculture and the Austrian Federal Railways will remain intact as will favorable tax treatment of heating oil for furnaces (extralight heating oil) and the allocation of ne

federal share to road construction. Beginning with 1983, however, liquid gas as well as automobile fuel will be included in the petroleum tax, except for local transit traffic. Beginning with 1982, gas oil (diesel oil) used for the operation of combination-energy plants and heat pumps will enjoy the same tax advantages as agriculture and the Austrian Federal Railways do.

8991

CSO: 3103/411

INFLATION, LOW INTEREST RATES HURT DEPOSITORS

Athens TO VIMA in Greek 2 Aug 81 p 5

[Article by Dim. Stergios: "A 100-Drachma Bill in Name...but only 15 Drachmas in Value"]

[Text] The value of 100 drachmas deposited in a savings account 9 years ago is now 15 drachmas while an equal amount deposited in a term deposit account during the same period is worth 35.50 drachmas! This is the true...benefit of deposits derived since 1973 because the true interest rate on deposits, the difference, that is, between interest rates and inflation, was continually negative. An adjustment made on 1 July 1980 through legislation on special term deposits at 16 to 22 percent rates reduced somehow the inflationary loss the depositors sustained. But as of 5 June 1981 these interest rates were again reduced by 2 percentage points.

Thus, depositors who deposited up to 250,000 drachmas in these special term accounts suffered a loss of 9 percent by 5 June 1981 (the interest rate-inflation difference). In other words, their deposits shrank by 22,500 drachmas. Similarly, deposits of 500,000 dropped by 8 percent or 40,000 drachmas, while deposits of 1 million drachmas made in such accounts on 1 July 1980 shrank by 5 percent or 50,000 drachmas.

Following the 2 percent reduction in interest rates on 5 June 1981, deposits made since that date in such special term accounts will shrink still further (if inflation remains at its present level). In contrast, those who received loans in the past 10 years (industrialists, handicrafts, merchants, etc.) will be better off since the true interest rate (difference between nominal interest rates and inflation) is always positive for loan receivers.

On the basis of the developments in the area of inflation and nominal interest rates on deposits made the past 9 years, if a person did not deposit his money in a savings account and bought instead...roasted chick-peas, the extra money he would be earning would shrink to extinction one way or another. Had he deposited the money in a bank he would simply have had an "emotional euphoria" created by the low interest rates and the 100-drachma amount which in fact was worth 15 drachmas and, moreover, he would not have eaten...his chick-peas.

Downslide Since 1973

More analytically, an in-depth study of the deposit accounts and the upward trends of inflation during the past 20 years leads to the following conclusions:

a. For nearly 20 years--from 1954 to 1972--the yield from bank deposits favored the depositor except in 1954 (for deposits in savings and term accounts) and in 1966 (for deposits in savings accounts).

b. In contrast, since 1973 inflation has virtually devoured the deposits of depositors since the true interest--the difference between inflation and nominal interest rates--was negative. The greatest increase in deposits occurred in 1974 (-18 percent) and the smallest in 1978 (-3.9 percent). Also in term deposits the greatest decrease of the initial deposit was again in 1974 (-16.8 percent) and the smallest in 1979 (-12.2 percent).

c. Following the introduction on 1 July 1980 of the special time deposits category (interest rate up to 22 percent for deposits in excess of 5 million drachmas) the inflation biting into the deposits was almost eliminated for such large sums provided that the income from such interest is tax exempt.

d. Following the recent revision of the interest rates (5 June 1981) inflation is becoming more threatening to the small depositors since the interest rate has become more negative.

e. For depositors in the special term accounts, we cite the following useful explanations:

1. In cases where such deposits are for more than 2 years the corresponding old interest rates (that is, 16 percent for deposits of 250,000 drachmas, 18 percent for amounts of 250,000 to 500,000, 20 percent from amounts from 500,000 to 1 million and 22 percent for 1 million drachmas and over) are in force for the first 2 years. Therefore, the recent decrease of these interest rates by 2 percent does not affect these deposits made for more than 2 years.

2. When the 2-year period is over the interest rates will be readjusted every 12 months on the basis of the interest rates in force on the day following the 12-month period or periods.

3. For depositors who want the interest from their time deposits to become part of their original capital [to be compounded] it is made clear that according to decision 615/19 May 1981 by the Subcommittee on Loans and Foreign Exchange such capitalized [redeposits] interest will not be earning interest at the (higher) corresponding interest rate the original deposits were earning (16, 18, 20 or 22 percent depending on the amount originally deposited [as explained above]). Instead they will be earning 15.5 percent, the interest rate, that is, the ordinary 1-year deposits earn despite the explicit provision of the Currency Commission decision 168/3 of 23 September 1977 which states that "on term deposits the [total] amount resulting from adding to the original deposits the interests earned during each 6-month period draws interest at the original interest rate of the [original] deposit until the date of expiration of the original deposit." This unacceptable a posteriori arrangement at the expense of the depositors was made under the excuse of limiting the cost of money for banks!

On the other hand, we remind the depositors having different types of accounts that:

a. The interest rate for 3 to 6-month term deposits (see Table I) is valid when the time period is completed. On the contrary, this (time completion) is not necessary for other term deposits.

b. The interest rates for deposits in ordinary savings accounts are valid only for amounts deposited by private depositors (natural persons).

c. The interest rates for 3 to 6-month term deposits are valid for amounts deposited by private depositors (natural persons). On the contrary, the interest rates for deposits of 6 months and over are valid for natural and legal entities (companies). The same holds true for time deposits in the Agricultural Bank of Greece [ATE].

d. A basic criterion for the graduation of interest rates for special term deposits is, besides the amount deposited, the duration of deposit which must be at least 12 months.

Some advice: If you anticipate another reduction in the interest rate of the special term deposits and you see that you have no other alternative for a more lucrative investment, then you should deposit your money for a period exceeding 2 years. Your return will be the same even if in the meantime the interest rates on deposits are decreased. On the contrary, if you anticipate an increase in the interest rate of the special time deposits then you should deposit your money for a period of 12 months because you run the risk of having the interest figures on the old (lesser interest rate) in the event you continue your deposit in the same account for 1 more year.

TABLE I

Interest Rates in Effect for Bank Deposits

Categories:	Old	New
A. Demand Deposits		
1. Current Accounts	12.5	12.5
B. Savings In:		
1. Commercial Banks	13.5	13.5
2. ATE	13.75	13.75
3. Postal Savings Bank	14.0	14.0
4. National Land Bank of Greece-Savings	13.5	13.5
C. Time Deposits		
1. Private and Companies		
a. 3 to 6 months	14.5	14.5
b. 6 to 12 months	15.5	15.5
c. 1 year and over	16.0	16.0

2. (Deposits) in ATE		
a. 3 to 6 months	14.75	14.75
b. 6 to 12 months	15.75	15.75
c. 1 year and over	16.25	16.25

D. Special Time Deposits		
1. Up to 250,000 drachmas	16.0	--
2. Up to 500,000	18.0	16.0
3. From 500,000 to 1 million	20.0	18.0
4. From 1 to 3 million	22.0	19.0
5. From 3 million and up	22.0	20.0

TABLE II

Development of Interest Rates* and Inflation

Years	Savings Banks(1)	Inflation	True Interest(2)	Time Deposits(2)	Inflation	True Interest
1954	9.3	15.0	-5.7	9.3	15.0	-5.7
1955	7.0	5.7	1.3	7.0	5.7	1.3
1956	9.0	3.7	5.3	9.0	3.7	5.3
1957	9.5	2.3	7.2	10.0	2.3	7.7
1958	8.0	1.4	6.6	9.0	1.4	7.6
1959	7.2	2.3	4.9	7.7	2.3	5.4
1960	5.6	1.6	4.0	5.7	1.6	4.1
1961	4.5	1.8	2.7	5.9	1.8	4.1
1962	4.5	-0.3	4.8	6.0	-0.3	6.3
1963	4.5	3.0	1.5	5.8	3.0	2.8
1964	4.5	0.8	3.7	5.7	0.8	4.9
1965	4.5	3.0	1.5	5.7	3.0	2.7
1966	4.7	5.0	-0.3	5.9	5.0	0.9
1967	5.0	1.5	3.5	6.25	1.5	4.75
1968	5.0	0.3	4.7	6.25	0.3	6.0
1969	5.0	2.5	2.5	6.25	2.5	3.75
1970	5.0	2.9	2.1	6.25	2.9	3.35
1971	5.0	3.0	2.0	6.25	3.0	3.25
1972	5.0	4.3	0.7	6.25	4.3	1.95
1973	6.0	15.5	-9.5	7.4	15.5	-8.1
1974	8.7	27.0	-18.3	10.2	27.0	-16.8
1975	8.5	13.4	-4.9	10.1	13.4	-3.3
1976	7.4	13.3	-5.9	9.4	13.3	-3.9
1977	7.0	12.1	-5.1	9.0	12.1	-3.1
1978	8.6	12.5	-3.9	10.6	12.5	-1.9
1979	10.8	25.0	-14.2	12.8	25.0	-12.2
1980	13.5	25.0	-11.5	15.5	25.0	-9.5
1981	13.5	25.0(3)	-11.5	15.5	25.0	-9.5

(1) In Commercial Banks

(2) From 6 to 12 months

(3) Estimated

*A conversion has been made proportionate to the duration of their validity.

BUILDING PERMITS FOR ATHENS HOTELS SUSPENDED

Athens I VRADYNI in Greek 29 Jul 81 p 5

[Text] The banks are discontinuing loans for the construction of new hotels while at the same time the Greek Tourist Organisation [EOT] will not approve any exceptions. This means that construction of additional hotels in Athens should not be expected.

The tourist industry in this country had requested such a measure and the request was accepted by Premier Rallis. In fact, when Rallis went to the EOT meeting on the Athens tourist problems, he opened his remarks by announcing to the hotel owners that the government had accepted their request. The ban on further hotel building is viewed as necessary because there is an oversupply in Athens of hotel beds, especially in first-class hotels.

The above, together with the government approval of other proposals by the tourist industry were made public yesterday in a press conference by the president of the Hotel Chamber of Greece, Ap. Doxiadis, and the president of the Greek Tourist Agencies Association, G. Tsaldaris.

Satisfaction

During the interesting discussion at the press conference Doxiadis and Tsaldaris said that the Athens tourist industry is fully satisfied by the government's recognition that an oversupply of hotel beds existed in Athens especially in view of the fact that they now exceed 50,000 in the Attiki region compared to 260,000 for the entire country. Especially excessive is the number of beds in luxury hotels. Specifically, there are today 5,500 luxury hotel beds compared to 4,500 in first-class while in 1982 the luxury beds are expected to reach 7,800.

At this point Doxiadis said that an effort is underway to identify the Greek hotels as in other EEC countries by the number of stars instead of luxury, first-class, second-class, etc.

The two presidents of hotel owners and tourist agents also explained that Premier Rallis accepted other requests of their industry such as the exception of fourth and fifth-class hotels for the municipal tax which was imposed on Athenian hotels on 1 January 1981 (4.5 percent), a fact which the Athens municipality had accepted, but then the nomarch had annulled the decision of the city council.

The government also agreed to bring to an immediate vote by the Recess Committee of the Chamber of Deputies the bill on the reorganization of the Hotel Chamber of Greece which is governed by an obsolete charter.

Some...Complaints, Too

Another issue of concern to the hotel industry in general is the existence of illegal hostels with an estimated 100,000 beds. The owners of those establishments compete with hotels in an unfair manner, snatching customers at railway stations, ports or even on the street by means of unacceptable behavior. The tourist industry wants those illegal hostels banned and they have the approval of the premier on this.

Doxiadis and Tsaldaris also announced other requests and proposals which were accepted by the government. These include:

a. Taxis.

The need to deal with the problem of taxis is evident. It is necessary for this to create companies for taxis; also, in cooperation with the Ministry of Transportation and the Association of Taxi Owners to create taxi stands to serve the hotel customers.

b. Simplifying customs processing, etc.

It is necessary to simplify as much as possible the processing of customs and the other services at the airports, harbors, railway stations, etc., to move the tourists quickly and without delay and inconvenience.

c. Upgrading downtown Athens.

It is necessary to intensify the plans relating to the questions of Plaka. Similar measures must be taken in other areas downtown by creating pedestrian walks, etc.

d. Environmental improvement.

It is necessary to take immediate steps relating to air pollution and the dirtying of the beaches, limiting noise, etc.

e. Advertising.

It is proposed to intensify the promotional effort about Athens both in the European countries as well as, and especially, in America. More specifically, it is proposed, with the help of the EOT services abroad:

1. To organize seminars to inform representatives of the productive classes on issues of Greek tourism.
2. To promote Greek products and the Greek market, especially handicraft products.
3. To promote the possibility of large communal meetings, conferences, etc. In this regard it is necessary to construct a convention center which Athens so badly needs.

4. To publish a special booklet telling about Athens, at the common expense of the tourist industry.

It is also proposed to request the newspaper publishers--without concealing, of course, the real situation that may exist on certain issues--to avoid extensively publicising items which may give a bad impression abroad.

Recreation

It is deemed necessary, in cooperation with the Ministry of Civilization, to put together programs of artistic events for the entertainment of tourists during the winter months.

It is also necessary to organize museum expositions and considered appropriate to grant to winter tourists a museum card for their entrance [into museums] at reduced cost.

7520

CSO: 4621/73

CHANGES MADE IN CIVIL SERVICE PAY INDICATORS

Istanbul TERCUMAN in Turkish 17 Jul 81 pp 1, 14

[Article by Dogan Sumer]

[Text] Ankara--The bill to amend the State Civil Service Law No 657 now under discussion in the Council of Ministers completely overhauls the indicator table which is the basis of civil service salaries. If the indicator table is adopted as is, civil service salaries, at coefficient 25, will range from a gross of 1 250 liras to 5,000 liras.

The bill to amend State Civil Service Law No 657, which was first drafted by the State Personnel Office and later submitted to the Council of Ministers, was examined by a committee appointed by the Council of Ministers. The committee, consisting of certain of the ministers, submitted the text it drafted to the Council of Ministers for approval. The bill now being discussed in the Council of Ministers will revise State Civil Service Law No 657.

By Reason of Billet Unavailability

The bill completely overhauls the indicator table. The current table which starts at 300 and goes up to 1200 is changed in the bill to start at 350 and go up to 1400, thus raising civil service salaries to range from a gross of 1,250 liras to 5,000 liras per month.

One of the most noticeable features of the table is the relationships between grades and steps. The fourth step in each grade is the same as the first step of the next higher grade. The seventh step in each grade is the same as the fourth step in the next higher grade and the first step of two grades higher. This is envisaged as a means of preventing the loss of civil servants who cannot be promoted because of billet unavailability.

To Facilitate Administration

Article 45 of the existing law is also changed. According to current provisions, appointments to grade 6 and below are made on the basis of billet availability. Appointments to grade 1-4 positions, according to existing article 68, cannot be made from lower grades except under certain conditions. For appointment to grade 5, one must have been paid an earned-right salary at the level of this grade. The new arrangement, for ease of administration, introduces the necessary changes to

also allow appointments on the basis of billet availability to positions from grade 5, which is used in extremely limited circumstances, on up.

The bill provides for the new indicator table to be effective as of 1 January 1982. The new indicator table as it appears in the bill follows.

Indicator Table

(1)	(2)									
DERECE KADEMELELER										
	1	2	3	4	5	6	7	8	9	
1	1100	1200	1300	1400						
2	920	980	1040	1100	1200	1300				
3	815	850	885	920	980	1040	1100	1200		
4	725	755	785	815	850	920	980	1040		
5	650	675	700	725	755	785	815	850	885	
6	575	600	625	650	675	700	725	755	785	
7	530	545	560	575	600	625	650	675	700	
8	485	500	515	530	545	560	575	600	625	
9	455	465	475	485	500	515	530	545	560	
10	425	435	445	455	465	475	485	500	515	
11	410	415	420	425	435	445	455	465	475	
12	395	400	405	410	415	420	425	435	445	
13	380	385	390	395	400	405	410	415	420	
14	365	370	375	380	385	390	395	400	405	
15	350	355	360	365	370	375	380	385	390	

Key:

1. Grade
2. Step

8349

CSO: 4654/108

MEASURES TAKEN ON BOND INTEREST, DEPOSIT CERTIFICATES

Istanbul CUMHURİYET in Turkish 8 Jul 81 pp 1, 7

[Text] ECONOMIC SERVICE--Two important decisions of close concern to the financial sector were made in the past week. First is the freeing of interest on private sector bonds, and second is the unity of view reached among bank managers that brokerages should be stripped of the right to sell bearer certificates of deposit.

Following the second decision, which is understood to have been taken because brokerages were beginning to measure up to the banks in advertisements for certificates of deposit, rumors began leaking from banking circles that "efforts are under way at the Finance Ministry to allow certificates of deposit to be sold by banks only." An "official" decision along these lines would deprive brokers of significant profits and give new wind to the banks, which are understood to have closed out the first 6 months of 1981 deep in the red and are looking bleakly at the future.

Bank managers also expressed the view that 45-percent interest should apply to the 3- to 6-month portion of demand deposits, showing "the emergence of a trend to revise the deposit structure" in the financial sector. Since no unity of view could be reached among bankers as to whether "inflation has fallen, remained the same or risen" and since a "decree" is required to implement the abovementioned interest rates, nothing definite could be decided. However, banking circles say that this may be "a matter of two or three days."

Expressing his opinions on recent developments, Istanbul Bank General Director Ozer Ciller said: "No matter how much it is said that they are not in competition, there are two competitors for the same market: banks and brokerages. The large advertisements by the brokerages lately showing their sales of certificates of deposits belonging to certain banks and which border on unfair competition are the same as cutting off the branch they are sitting on, in a way.

"If interest on 3- to 6-month deposits is raised to 45 percent, it will show that with the decline of inflation, credit will get cheaper in the long run inparallel to that and deposit interest will also go down. In a way, it is the beginning of a soft landing."

Meanwhile, work has begun at the Finance Ministry and the Central Bank on a decree that would allow demand deposits to begin at 3 months and raise the Central Bank interest rate on deposit extensions.

8349

CSO: 4654/108

REDUCED LOAN PAYMENTS EXPECTED, EXCHANGE GAINS NOTED

Istanbul TERCUMAN in Turkish 18 Jul 81 p 5

[Text] ECONOMIC SERVICE--Rapid reduction in the years ahead of the payment load on Turkey's medium and long-term debts, reportedly now at \$19.452 billion, will lead to positive developments from the standpoint of both the foreign exchange squeeze and new credit potential, it is said.

Turkey's debt load, on approximately \$2 billion in short-term loans and \$19 billion in medium- and long-term loans, had reached dangerous levels at one point and it was figured that as much as 65 percent of foreign exchange revenues from exports and worker remittances would go to pay principal and interest which came due between 1980 and 1982.

Changing Situation

Meanwhile, the postponement of debts both within the OECD structure and within the framework of international banks and the beginning of a rapid rise in exports have now changed this situation, and if export growth proceeds at a normal pace, the debt load will drop rapidly, it is said.

Principal and interest on foreign loans will require \$1.8 billion in 1981. If exports bring in \$4.2 billion and worker remittances around \$2.5 as projected on the basis of the first 5 months, the debt load, or in other words, the ratio of foreign exchange revenues to debts payable during the year, will be 26 percent.

Experts predict that even if export growth does not continue at the same tempo as in 1981, the debt load can drop as low as 4.1 percent by 1990.

Estimates

Export growth of 30 percent per year for the next 3 years, 20 percent for the next 3 years and 10 percent per year for the 3 years after that is viewed by experts as a normal development which should not be considered "optimistic" if present policies continue.

In this situation, exports will be bringing in \$21.5 billion by 1990. A ceiling for the next few years at the present \$2.5 billion in worker remittances is considered realistic. However, this situation may change, with workers going in large numbers again to Middle Eastern nations and Western Europe.

The experts with whom we talked said that these estimates are "conservative" and realization of them is highly likely and that Turkey actually has a much greater export potential.

Projected export growth puts exports at 16 percent of GNP after only 10 years. However, since it is considered normal for a country like Turkey to have exports at 16 percent of GNP today, there are some who think it realistic to be able to achieve this goal within 5 years, not 10.

The upper table [tables not reproduced] shows Turkey's estimates of loans due between 1981-1990, debt load (ratio of loan payments due to foreign exchange revenues) and foreign exchange earnings from exports and worker remittances. Debt loads of certain other deeply-indebted developing nations are seen in the lower table. The experts point out that, in comparison with these nations, Turkey's situation was much improved by the postponements.

8349

CSO: 4654/108

STRAUSS, MAIER FEUD VIA TWO NEWSPAPERS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 23 Jul 81 p 3

[Article by Roman Arens (Munich): "'Say You Are Sorry or Scram'--Minister-President Strauss and Minister of Culture, Education and Church Affairs Maier Clash in Munich's Prinzregentenstrasse"]

[Text] It is the same situation as that of the two goats that meet on a narrow bridge and cannot make room for one another but attack each other with their horns and hard heads. But the "fabulous" way out of the situation--the weaker one falling from the bridge in the end--does not appear immediately feasible in the case of the political conflict. Whichever may be hailed as the victor--as early as today, in the next few days or later--things will not be all over either as far as Minister of Culture Hans Maier or as far as Minister-President Franz Josef Strauss is concerned.

Whatever solution may be announced to the public (in other words, no matter whether it is a patch-up conciliatory statement or whether the one or--conceivably in theory--the other loses his government post, no end of the titan's struggle is in sight. Only a lengthy or fairly short respite is conceivable.

As late as Wednesday [22 July] afternoon the minister of culture stated that he was persisting in his stand. Having greeted him with demonstrative applause, the CSU deputies in the Landtag had assured him considerable support. But Strauss too, of course, has his battalions not only in the party but also in the Landtag, where the CSU deputies on several occasions--and more often especially of late--have had to tackle disputes concocted at the Ministry of Culture.

The initial position was a fairly open one for the supposedly so crucial talk for which Strauss and Maier planned to meet at 1600 hours at the State Chancellery, the former Prussian Embassy in Prinzregentenstrasse. By virtue of his office, his temperament and his own experience ideally suited as mediator (having himself been in the closest possible clinch with Strauss in spring), Gustl Lang, the leader of the CSU Landtag deputies had given the word: Negotiate--negotiate until an amicable agreement is reached. The chances are that Lang would have liked to wall in the adversaries as in a conclave until a result was reached that could be announced to the public.

Gustl Lang, it happens, knows fairly well how many of his deputies fear for their seats in next year's Landtag election if the present disgraceful performance of the government and the CSU drags on too long and expands into a government crisis. Notwithstanding the split opinions in the matter and their support for one or the other disputant, the deputies are bent on a quite rapid settlement. There is a fair amount of hope for parliament to adjourn for the summer at the end of the week, for the CSU deputies to make their long-planned trip to Great Britain and for peace to come to the home front.

The fears and hopes have thoroughly confirmed Gustl Lang in his peace efforts, leading him to successfully advocating negotiations without additional counter-arming. The special session of the Landtag deputies Tuesday evening lasted only a few minutes, amounting to little more than a reference to the summit meeting Wednesday afternoon. The idea was for the participants, despite all the excitement going on, first of all to get a good night's sleep. If the shrewd leader of the CSU deputies had not had his way, there probably would have been a marathon session which would only have led to further injuries.

The last time he had been under fire to a point where no one would have been surprised by his resignation--in late November 1980--Hans Maier had said: "I do not like intrigues; my way of doing things is to fight things out in the open." That he takes a similar view of the matter now may be assumed from a remark in the controversial contribution in Tuesday's MUENCHNER MERKUR, where he warned serenely that he was known to be "used to carry out controversies with pleasure and without any squeamishness."

Controversy came his way as early as noon of the same day, at the meeting of the cabinet. After the civil servants and experts normally present at the center of government power had been asked to leave the room, Strauss asked the minister to apologize for his commentary or resign. In the halls of the Landtag, Strauss was reported to have said: "Say you are sorry or scram." The minister did not want to go in for that alternative, however.

Owing to a lack of genuine information, rumors are all the more rampant. It is said, for example, that some of his colleagues in the cabinet were quite rough with the minister of culture, taking advantage of the opportunity for a reckoning--for instance, concerning difficulties in cooperation between ministries or concerning unnecessary educational policy confrontations provoked by the Ministry of Culture. Since his colleagues in the cabinet of course also have their seats in the Landtag and since they include a number of district party heads familiar with a certain disgruntlement at the base, the rumors sound plausible.

What is more, because of his intellectual capacity Maier has been playing a somewhat special role in the cabinet. This has enabled him so far to get away with "having been virtually from the beginning of his activity an undisputed cabinet victor as ministers constantly put their foot in it"--to quote Julian Gyger, executive manager of the FDP parliamentary leadership. So Maier, who himself has claimed a "serene readiness to take risks," ought to have an understanding for, and not to be surprised by, the inclination now to dish out to him all the anger that has accumulated in the past.

The refusal to apologize irritated the minister-president to such an extent that he wanted a special session of the CSU deputies to discuss Maier's offer to resign and to have the question of an apology tied to the question of confidence in his government. The thought of a now suddenly possible resignation of the minister-president led to hectic efforts in the offices of Landtag Speaker Franz Heubl, who at the same time is deputy leader of the CSU deputies. There the leading CSU people got together and achieved the best possible result--a day's armistice, at least in public.

Meanwhile one would almost have lost sight of what had started the big dispute if the party organ BAYERNKURIER in its latest edition had not once more repeated, and thus confirmed, the reproaches against MUENCHNER MERKUR, which is close to the CSU. CSU Chairman Strauss too, however, confirmed with his demand that Maier apologize for having sided with the MERKUR and against the BAYERNKURIER the fact that FJS [Franz Josef Strauss] identifies with the BAYERNKURIER. This does away with any speculations as to who it was who inspired the weekly's writings. If Strauss supports them it is irrelevant whether it was he himself or editor-in-chief Wilfried Scharnagl, in accordance with Strauss' intentions and perhaps even cues, who raised his hand for the big blow.

The BAYERNKURIER now repudiates the "general polemics" and the charge that it was intended to "curtail the freedom of speech of a conservative newspaper," saying that the "exact opposite" had been the case. This strange interpretation of its own intention is not a conciliatory move but shows how wide the split has become between the BAYERNKURIER and its publisher, Strauss, on the one hand and Minister of Culture Hans Maier on the other. As for Maier, the BAYERNKURIER attacks have reminded him of "Gleichschaltung" [forcing entities to fall in line with Nazi policies] and "controlling the views expressed by the press." "Just imagine," people could be heard to say on the Strauss-Stoiber side: "a member of the cabinet uses language evoking associations with the Third Reich!"

MUENCHNER MERKUR editor-in-chief Paul Bucher says mockingly that the CSU resents the fact that "here too 'dissidents' are allowed to have their say." The target in the attacks on the MERKUR had been "part of the CSU." Indeed MERKUR columnist Hans Maier represents a part of the CSU which, though certainly as conservative as the rest, uses different forms of politics and behavior--preferring the foil to the cudgel, as some put it.

Among these certainly is Paul Pucher, who wrote in the Wednesday issue of his paper: "We can understand someone like Edmund Stoiber finding a man of the cultural stature and intellectual type of Hans Maier somewhat foreign to his nature." Pucher states his columnist has pluck, strength of character, political sophistication and fortitude. The day before, Maier had said about his editor-in-chief: "He has courage; he is no conformist. I claim the same attributes for myself."

Though there is mutual "criticism as to details," the close relationship between the two becomes evident. And not only has Pucher, as he puts it, pulled "many a chestnut" out of the fire for Strauss over the years, but he has also done so for Maier, and by the bushel at that. So it has not come as a surprise that

Maier did what was fair and stepped into the breach for the paper in which he writes columns about God and the world. What did come as a surprise was the sharp tone, which the party chairman quite logically regards as directed against himself. According to the interpretation of the Bavarian SPD, the minister of culture thus demonstrated that Strauss has "ceased to be an untouchable monument."

While having been somewhat premature in talking about the "end of the Strauss era," the Social Democrats may have touched on the crucial point of the dispute. When he was asked this spring what he would consider his greatest misfortune, the minister of culture, who is 50 years old, replied: "To be dependent on someone else's will." Is it possible that he now sees his political career might be influenced by, if not be dependent on, the will of the 66-year-old minister-president for greater and more forceful action in the Land and nationally than has been the case recently? Hans Maier, professor of political science, president of the Catholics Central Committee, and publisher of RHEINISCHER MERKUR, is independent. If, as the senior minister of culture in the FRG, he were now to be toppled, it would not be the end of his career but perhaps the beginning of a new one, wherever that might be.

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CSO: 3103/394

WEIZSAECKER'S BERLIN PROGRAM WINS APPROVAL

Munich BAYERNKURIER in German 25 Jul 81 p 3

[Article by Enno W. Eimers: "The Beginning of a New Policy--Assent to Weizsaecker's Program--Tackling a Difficult Heritage"]

[Text] With the votes of the CDU and--at present--those of the FDP, the Chamber of Deputies on 16 July approved the 10 points of the government program which the new governing mayor of Berlin, Richard von Weizsaecker, had submitted in his government declaration. So work can now begin. With clear emphasis Weizsaecker primarily stressed the political situation and the special role of the divided city in Germany and Europe. Recalling the duty to overcome the division, he personally took a first step away from the provincialism of recent years and toward the "new beginning" to which he had summoned the town's citizens. After the summer recess Weizsaecker plans to pay a visit to Washington and invite President Reagan to visit Berlin. He stressed the close ties with the Federal Republic as well as the ties with the Allies.

In domestic affairs the main tasks of the Senat will be the implementation of an economy program. Initial measures concern a freeze of government jobs and elimination of gratis kindergarten attendance. Public building is to take a back seat to residential construction, with the objective of building 50,000 apartments by 1985. But the fight against the housing shortage is also to take the form of a changed policy of rehabilitation, with a plan to be worked out for every vacant apartment. Another big problem for Berlin is the high proportion--10 percent--of foreigners. The foreigners now living in Berlin are to be faced with the alternative of returning home or naturalization.

Weizsaecker was bent on reaching an understanding across party boundaries, and the majority of the FDP was prepared to support his government program. The SPD was faced with a situation which made attacks difficult. Indeed those who spoke during a parliamentary question hour and the leader of the opposition, Vogel, in his speech opposing Weizsaecker's government declaration attacked not so much the political concept as the person of Senator for Internal Affairs Heinrich Lummer, who had to take the part of enemy No 1. Exhaustive replies by Lummer notwithstanding, the violent demonstration of the Alternative List and the squatters in the Grunewald district, in which the riots attained a new dimension, led to ever new SPD questions as to why, when and how Lummer planned to equip the

police with CS irritant gas. It was no use for him to point out that Berlin did not intend to go it alone but wanted to act only in coordination with the ministers of interior of the other federal Laender, who would not take a stand before the fall--the CS irritant gas remained the irritant subject. Evidently the comrades are not disturbed by the fact that since 12 December in Berlin alone 499 police have been injured in clashes with rowdies and political demonstrators [Polit-Rockers] and that the leadership both of the police trade union in Berlin and of the union in the Federal Republic are most emphatically demanding the introduction of CS gas.

Through Vogel's Rose-Colored Spectacles

In light of the 100-million Garski debts with which the SPD has burdened Berlin owing to its homemade incrustation of money, politics and party interests, leader of the opposition Vogel did say, "We do not deny mistakes have been made for which are accountable." Nice-sounding words, but if one does not look at the situation through rose-colored spectacles, one knows that this sentence makes light of the actual state of affairs. Berlin housing construction is in an unholy mess, with the housing construction companies (legally belonging to the DGB [German Labor Union Federation], owned by the Senat or semipublic enterprises) having engaged in insensible wrecking in old-housing districts or letting untouched buildings stand empty for years.

Vogel also praised the SPD Senat's policy vis-a-vis East Berlin, citing the recently deceased former Senator Korber as his main witness. Korber, however, still knew how to negotiate with SED functionaries--without any illusions and bargaining for every single detail for days on end. His transit pass agreement after the erection of the wall was solidly based. Standing in the way of the new drift toward the left of his party, he was put out to pasture. His successors on several occasions were sloppy in their negotiations with East Berlin. For instance, they concluded a trash removal agreement in which the Senat is pledged as of 1984 to deliver twice as much trash as becomes available in all of West Berlin.

Mr Vogel is not bothered by salient points indicating the extent of the vast political bankruptcy which the SPD has left behind from its 35 years of government. Even casting aside the 100-day honeymoon customarily granted to a new team after a change in government, he blamed the CDU for mistakes committed not by it but by the SPD under Vogel and his predecessors.

The Alternative List (AL), so far the great unknown quantity in the parliament, contributed nothing but strict Marxist tirades in response to the government declaration. It immediately showed its true face when, unimpressed by the warnings of the traditional parties, it took a stand for the demonstration--in its inception no different than the parades of the Nazi SA more than 40 years ago--staged in the Grunewald against alleged "exploiters of the miserable housing situation" with all the characteristics of specifically aimed psychological terror.

However, not only the Alternatives but also the squatters accepted responsibility for that demonstration terror. Lummer therefore asked the parliament: "Is it a

contribution to the rule of law if an SPD district organization and well-known members of that party become sponsors of the squatters?" He did not receive an answer. Neither the SPD nor its leading political, Vogel, dissociated themselves from these circles, which--apart from certain exceptions--are not by any means as harmless as they like to pretend.

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CSO: 3103/394

SPD SEEKS IMPROVED COMMUNICATIONS WITH JUSOS

Bonn VORWAERTS in German 16 Jul 81 p 6

[Article by Gode Japs: "No Dressing-Down for Jusos--Talk With SPD Leaders Clears the Air--Contacts Being Intensified"]

[Text] Henceforth the SPD leadership intends to pay more attention to the concerns of the Young Socialists. This is the result of a talk last week between representatives of the party executive and of the federal executive of the new SPD generation.

It is time "to direct a word of warning to those who somewhat prematurely intend to discipline a live association with administrative shenanigans."

So wrote not a Juso but ASF [Social Democratic Women's Working Group] Federal Chairwoman Inge Daniel-Wettigmeier in the SPD PRESSEDIENST [Press Service]. And she did so on the very day on which representatives of the SPD Executive were to have a talk with the newly elected federal executive of the Young Socialists to "clear the air."

At least as far as this round of talks was concerned, the warning of the ASF chairwoman was not needed: the "general accounting" with the rebellious Young Socialists did not take place. Nor were there any disciplinary "administrative shenanigans."

Funds are not being cut off for the Jusos. Nor was the tiresome "gagging decree" dug up again. However, Juso press conferences henceforth are to be coordinated in advance with the party leadership.

What went on at Erich-Ollenhauer-Haus in Bonn last Wednesday [8 July] indeed cleared the air. "Extraordinarily businesslike," commented SPD Executive spokesman Wolfgang Clement in accord with Juso Federal Secretary Rudolf Hartung. The tete-a-tete, which lasted 3 1/2 hours, took place in a "good atmosphere," Clement said. And a Juso participant stated: "It was something between a cozy coffee meeting and a gathering among friends around their regular table."

Of course some clear words were uttered as well. Thus Federal Executive Manager Peter Glotz--still remembering well the Lahnstein Juso congress--pointed out to his youthful interlocutors "the intolerability of an aggressive self-portrayal."

Nor did Johannes Rau, who in addition to Antje Huber and Brigitte Traupe had participated in the talk on behalf of the SPD Executive, hold back with criticism, saying: "The Juso dual strategy is not working. You cannot be a member of the SPD and at the same time dissociate yourself completely from party policy."

The Juso leadership for its part pointed out problems arising in putting the Social Democratic government policy across to the young. And Hartung went on record with the fact that the federal chancellor too "does not exactly use the kind of language being cultivated in a nunnery."

There was agreement at the talk at SPD headquarters that substantive mutual discussion was to be increased considerably at all levels. As a beginning Brigitte Traupe proposed a talk between Juso Executive members and SPD Bundestag deputies from the Budget Committee about financial and economic questions. There is to be a greater exchange of information on matters of detail.

A "highest level" talk is to be conducted as regularly as possible in the future--perhaps four times a year. October was considered a possible next date, at which time Hans-Jochen Vogel, Peter von Oertzen and Volker Hauff, who were unable to attend this time, are to take part as well.

The talk also dealt in detail with the question of how to achieve an overall improvement in SPD and Juso youth activity. This is where the Young Socialists were able to cite a negative example: they had submitted to the party executive some proposals for starting high school student activity but had not received an answer to this day.

Finally the question of work "missions" for the Young Socialists was discussed, with everyone realizing that these could not be dictated from "above." Points addressed were youth centers and campaigns in the sphere of development policy.

There was also agreement on the fact that the question of a Juso age limit should not be made a topical one. Antje Huber said, however, that this was "no dogma"; if this question were not to be broached, the question of a disciplining would arise, "and that certainly is something we do not want."

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CSO: 3103/394

FOREIGN POLICY PROBLEMS REPORTED

Athens TA NEA in Greek 30 Jul 81 p 9

[Article by G. Stavrou: "Four Scenarios for Pressuring Greece in Future"]

[Text] The dramatic suspension of the negotiations on the future status of the American military bases in Greece intensifies the climate of uncertainty regarding the orientation of the country's foreign policy and interrupts a healthy trend toward a broad national consensus on basic issues of foreign policy. In reality the entire negotiation process and the dramatic postponement of announcing their "successful conclusion" could provide material for many scenarios of political destabilization.

Before we move to an analysis of any of these scenarios of future instability, we must make two statements:

First, the author does not attribute negative or egotistical motives to the Greek government for the "artificial" collapse of the negotiations at the last moment. Unfortunately, the Kallis government is the captive of accumulated errors in the foreign policy of the last 7 years and may be regarded as the victim of foreign policy decisions reached in haste by immature diplomats at the highest levels of the Greek state. The intervention of "higher levels" at the critical moments of the negotiations for the bases revealed all the weaknesses of "formulating policy by intuition" instead of a cool-headed study and analysis of the various factors.

Second, the destabilization processes may be set in motion both by the negotiating techniques used in the question of the bases and by the desire of some officials of the governing party to turn the problem of the bases into an "electoral specter" designed to "underline" PASOK's weaknesses in formulating reliable alternative solutions in the area of defense.

There are at least four interconnected elements which together can have harmful consequences for the future of Greek foreign policy: the change in the balance of power in the Middle East; the Turkish factor; the dependence Greece has imposed on itself; and the unorthodox negotiation processes used recently in the dialogue between Athens and Washington.

Short-term, these four elements could effect the result of the forthcoming election; long-term, however, they could cause crises originating from abroad or disorientations of the political line caused from the interior.

Bases and the Middle East

The Middle East again acquires the dimensions of a major crisis which may signal forthcoming violent interventions by the big powers to rearrange the balance of power in the area. In its present form this continuing problem reflects the inability of American foreign policy to free itself from the effects of an all-powerful national minority and of Israel, a country which in the last 30 years has tried to achieve security through preemptive attacks against its neighbors.

Although the basic aims of Western policy in this area include the restoration of Lebanon's sovereignty and the consolidation of the Turkey-Saudi Arabia-Egypt triangle, there is no assurance that something of this sort can be achieved without an extension of NATO's role beyond its original geographic limits or without leading certain countries such as Greece to a diplomatic and economic conflict with its natural trade partners such as the Arabs.

With the American bases now free from any restriction--since the 1953 and 1958 status remains in effect--the Greek foreign policy following the elections may be affected by crises which will emanate outside our frontiers and will be facilitated by the absence of a clear-cut definition of NATO's role in Middle Eastern crises.

In this sense one may raise the question as to whether the last minute failure of setting a new status for the American presence in Greece is not a sword of Damocles over the Greek electorate at a time when the slogan of "Change" is being taken seriously.

The Turkish Factor

The second destabilizing element lies in the vicinity. It's called Turkey. Several things have been "silently agreed upon" between Ankara and Athens in the last 7 years, causing a lot of concern to the Greek people. Many of those "silent agreements" existed before this government and, to be fair, the government should not be blamed for the present condition. Yet, this government has a splendid opportunity to clarify things and chart a new course in foreign policy, free from the inheritance of the past, based on a broad national consensus instead of partisan objectives.

The two major parties, New Democracy and PASOK, should not find it difficult to agree on certain basic principles in dealing with the Turkish threat. As soon as a national consensus is developed the two parties may compete in a democratic manner over the question "who can best achieve the objectives" of maximizing the national sovereignty and facing up to the threat of the neo-Turkish chauvinism. The Turkish factor as a source of "destabilization" consists of four component parts: the economic aspects of the Aegean, its military aspects, the question of minorities, and the Turkish domestic socio-political factor.

The military component includes two unnecessarily complex elements: the deliberate violation of the Greek sea and air space and the defense of the islands. We must note at this point that the abolition of NOTAM 714, which was presented as a "success," has caused serious damage to the Greek interests. Its abolition removed a significant obstacle which did not allow the Turkish military as well as civilian aircraft to violate deliberately the Greek air space. Since the

abolition of NOTAM 714, Turkey has begun a deliberate policy of creating precedents, challenging Greek sovereignty over the Aegean. Let us not fool ourselves. We are not performing a national service when we pretend that only "navigational errors" are to blame when Turkish aircraft or vessels test the readiness of Greek defenses in vital areas.

The Turkish provocations may be intensified for two reasons, as the electoral campaign heats up: to test the nerves of the parties and to provoke a disagreement between them around the "Turkish question," rekindling the international debate over the Turkish demands in the Aegean.

The Turkish factor as a cause of post-electoral tensions in the area cannot be ignored or underestimated. If nothing else it makes indispensable a bipartisan approach to this subject. First of all, the two parties must adopt the nationally sound policy that the defense of the Greek island, of every Greek rock in the Aegean, is an inherent right of the Greek state.

Defense of the Islands

Let us repeat here a basic rule of international law:

The ultimate proof of national sovereignty for a nation-state is its ability and right to place armed forces in any way it deems appropriate within its national boundaries.

There is no legal or moral restriction hindering the exercise of this basic right by the Greek government. With regard to the Treaties of Lausanne and Paris, which Turkey often invokes and, strangely enough, even some Greek diplomats occasionally mention, these treaties have been dead for some time. We must recall another rule of international law. Treaties cannot be taken apart and cannot say that some of their parts remain in force outside the rest of the text, or outside the entirety of international law from which they derive their *raison d'être*.

In view of the forthcoming election, it will not serve the Greek interests to abandon the defense of the islands and the defense of the air space to the diplomatic archives. To leave a critical issue pending to be solved by the government which will come out of the election may offer a certain psychological satisfaction but may also become a source of future national tragedies.

Oil in the Aegean

The economic element of the Turkish factor refers to the current status of the economic zone in the Aegean and the inexplicable acceptance by the Greek side to go beyond acceptable limits, freezing the oil search in the area, thus recognizing *de facto* the principle of limited sovereignty. With all due respect to the authors of the Karamanlis-Ecevit agreement that "neither country will do anything" that might increase tension in the Aegean, it must be denounced as an unnecessary self-limitation to Greek sovereignty.

In the way this agreement has been implemented it has resulted, according to a high Greek official, "in suspending the exploration and oil drillings even in the Greek territorial waters."

Moslems in Thraki

The question of the Moslem minority acquires the features of the "Cyprus problem" at the time of the famous London conference which formally brought Turkey into the Greek-British dispute over the island. The area of Thraki where Greek citizens of the Moslem faith reside should not be treated as an area of reduced national sovereignty. There must be strong political efforts and there must be an end to the Turkish intervention in Greek domestic affairs. At least three proposals come to mind which together or in stages could remove this issue from the list of unsolvable problems.

First, the government in Athens must initiate a farsighted policy designed to help the Moslem population to enter the mainstream of national economic and cultural life.

Second, the Turkish consulate in Komotini must be closed for an indefinite period or at least it must stop acting like a Turkish commissioner dealing with the matters of Greek citizens who happen to be Moslem.

Third, the Greek government must remove either by transfer or banishment those elements in the population of Thraki who habitually travel through the country stirring up trouble in defense of "the rights of the Turkish minority" at a time when Turkey as a whole is under the boot of a military dictatorship.

It is self-evident that every state has the right to take security measures to protect its sovereign rights and its national well-being. In reality, every Balkan country finds it necessary to face at a given moment the problem of potential internal enemies of its security. Greece cannot be an exception.

Turkey's Underdevelopment

There is another deeper reason which turns the Turkish factor into a potential cause of instability in the area. This is the internal socio-political factor marked by a carefully constructed condition of unemployment. The current status of Turkey's political and social affairs will have to be understood in its real dimensions.

First of all, Turkey's underdeveloped condition makes this country an "undervalued partner" of international capital.

As we all know, the margin of profit is usually commensurate with the degree of economic and political underdevelopment. This may help explain the "decisiveness" of the West in trying to avert Turkey's possible bankruptcy through the granting of loans, military aid and favorable financing terms, administered, however, by a feudal system of administration.

Because of its underdevelopment Turkey will receive considerable economic and military aid in the next few years. This aid could change the balance of power in the area. Worse, when the aid takes the form of high technology one cannot rule out the possibility of a social collapse similar to that in Iran. Regardless of a possible social collapse or not, Turkey will continue to be a problem for Greece, especially if it takes seriously the role of the "local policeman."

Dependence

Let us look now into the factor of the "self-imposed" dependence which appeared in the negotiations on the status of the American military installations. The theories of dependence are very fashionable nowadays and are often useful in explaining the economic relations between the "periphery" and the metropol of capital.

However, during the negotiations on the bases the Greek side unnecessarily brought up the principle of dependence and asked for "American guarantees" for the country's security against all enemies and above all against the threat from Turkey.

This demand appears proper at first sight, but it is particularly questionable. To entrust the national security to another power, by whatever means, is a dangerous precedent and a potential license to threatening powers to violate it. First of all, there is no safe method for one country to guarantee the security of another, except through a mutual defense treaty. Since we know that the U.S. is not prepared or ready to sign bilateral defense agreements with any NATO member, the guarantees being sought by the Greek side may well lead to a psychological destabilization and further limitations on national sovereignty in the Eastern Mediterranean. The specific request, presented as it was, strengthens the sense of dependence and undermines the principle of national choice over the methods for securing our national borders.

The Negotiations

Finally, the procedural negotiating factors may prove a source of future problems for our foreign policy. First of all, during the crucial days of the negotiations about the bases too many sections of the Greek government often working in opposite directions played a destructive role. Specifically, the military presented a list of weapons they wanted while the Foreign Ministry appeared willing to accept an "agreement in principle" instead of specific figures. To make things even more complex the presidential office kept the ability to derail the negotiations at any moment, while the Council of Ministers on more than one occasion appeared to be divided.

In the last analysis one may ask whether in the future the negotiating procedures to be used by the government for the solution of the question of the bases will be nothing more than "jurisdictional disputes" among various groups in the Greek government. Such disputes may offer opportunities for destabilization.

Since the issues discussed above may be viewed as possible scenarios of instability, an above-party foreign policy becomes a national imperative. Greece must not be sucked into the Middle-Eastern crisis, must not ignore the Turkish threat in all its forms, and must not perpetrate the mentality of dependence and of limited national sovereignty. We need a national foreign policy established on the widest possible basis.

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CSO: 4621/72

VOTERS TO FACE DILEMMA IN NATIONAL ELECTIONS

Athens TO VIMA in Greek 9 Aug 81 p 5

[Article by V. K. Paikos]

[Text] The autumn election will be critical. It will be historically decisive for the immediate but also the distant future of our country. This is because for the first time in postwar Greece the very system, with its structures, supports and above all its mentality, is subjected to questioning by the people through the democratic parliamentary process. For the first time the people are "asked" for something more essential and deeper than the simple rotation of political parties in power with just different programs for dealing with current affairs.

But if this election--as every election for that matter--poses the principal question of who will be entrusted by the people with the country's government, at the same time a series of other, less impressive questions are raised, and the answers to those questions will determine some very serious aspects of public life. These answers which refer--in addition to the holder of power--to the remaining aspects of political life may actually show--sometimes very accurately--the course of developments in the early post-election period.

At the time he casts his ballot, the voter acts in a highly "individualistic" frame of mind. The individuality of this almost momentary action is vividly contrasted to the mass mentality conception which is inevitably created in the entire preelectoral period. For this reason, the voter, any voter, even the most loyal follower who is committed, even the active party worker or official, feels strangely at that special moment. He feels the weight of his responsibility. He weighs for the last time the significance of his specific act. Behind the screen of the voting booth the voter speaks from his conscience.

By contrast, the voting result has a comprehensive character. The popular verdict is counted as a comprehensive mass mandate which although deriving from the citizenry refers at the same time to each citizen individually. It is as though each individual voter has decided that party A should form a cabinet, party B should be limited to acting as opposition, party C should be preparing for the succession, party D has no reason to exist, etc.

It becomes clear that each vote even though it may come from a single mind relates to and affects more than one development, certainly not merely the party of his choice and not only the party which is the object of his protest.

"Instructions" of 1977

In the elections of 1977 the electorate--that is, the people with their verdict as formulated by the totality of votes--gave these "instructions":

1. The New Democracy Party should be in power for a period of time. It was told, in other words, by the percentage they gave ND that it would henceforth be under constant and severe scrutiny and that it would lose its mandate at the first opportunity if it disappoints the people. In the election of November 1977, the people gave the ND only some additional time...
2. The people entrusted PASOK with the role of the major opposition party while it was more than clear that they instructed this party to start preparing at a rapid pace to assume the responsibilities of government.
3. The voting verdict of 1977 defined that KKE should play the role of "the consciousness from the left" for the other parties. KKE was given enough of a percentage to enable it to carry out its mission comfortably.
4. The people gave KKE-Int. the opportunity to make one more effort to clean its profile and especially to show that it has a necessary role to play.
5. The "Center"--as represented in 1977 exclusively by the Democratic Center Union [EDIK]--received the popular mandate to limit itself to a very important, intermediate and corrective role in all directions. At the same time, it was not denied the possibility of seeking a more serious and more ambitious role in the future.

It must be noted at this point that the Center is the only party which not only did not utilize but in fact wasted the popular mandate almost as it had in 1974-77.

Dilemmas and Priorities

It is clear that the questions posed before each voter in every electoral contest are many and complex. The answer to each question will determine many aspects of the country's political life both in the immediate and distant future. Today, in the election of 1981, the Greek citizen will have to face a series of options which he has to evaluate and arrange in terms of priority.

Of course, the principal dilemma which each voter must answer is whether to opt for the continuation of the conservative government or to opt for "Change." This is a colossal question, a boulder of a question, and at the same time a key question for every future development. This is the question which occupies the thinking of the overwhelming majority of our people. Because it will not be an exaggeration to say that this is the historic moment they have waited for for many years. This explains the phenomenon which all of us see every moment every day--citizens of every category, class or origin even those with set and clear views against PASOK, have decided to support it in this phase so that the opportunity--which they judge or feel will be decisive for the future and development of this country--will not be lost.

There are conservative citizens--not few at all--who see clearly, however, that the Right's cries that PASOK is dangerous are groundless and they have found beyond doubt that the ND cause has no future. They see the political fatigue and the ensuing decay of their old political camp and feel that for the good of the country they should urgently "relieve" it of its governmental responsibilities. Thus they believe that it may be given the opportunity to reassemble itself, to clear its profile, to reassess its forces and potentialities, and in due course to have it assigned the role for which it is more suitable.

There are also followers of the traditional Left who have already decided or who are thinking of supporting PASOK in this election to maximize the chances for "change." They believe that in this way their vote will become more effective. For them the most dominant mandate is to push the Right out now.

It is absolutely clear that KKE in its effort to avert the outflow of its followers toward PASOK has built its entire electoral strategy on the slogan--for some it is a "trick"--of 17 percent and stating that the "change" will be a farce without its leading participation. To this, after all, is attributed KKE's ever-increasing aggressiveness against PASOK.

A Series of Questions

As we mentioned earlier, in addition to the principal dilemma between conservatism and change, the Greek citizen has to answer a series of other questions:

1. Is it in the interest of our country and of democracy for the Center to disappear from the political horizon? Moreover, is it possible or necessary for this political group to survive in its present form? Does it have anything to say, to express? It should not be forgotten that in the event the Center is deprived of any, even symbolic, parliamentary presence, then it will have very little hope of being revived even in the distant future. Such a development will seal, possibly forever, the course and the fate of a political force which for 60 years has played a leading role on our political stage.

The voter in the fall election who is concerned with the fate of the traditional Center may decide that the time has come for his camp to try and play whatever role it can as part of a wider and more effective effort, thus strengthening the "decisive" task of "change."

2. The question which faces the leftist or more generally the democratic-progressive citizen, which relates to the fate of KKE-Int., is of special significance, considering that this party expresses--or tries to express--something entirely different in the political arena. This fact together with the unquestionable truth that its survival will be determined in the coming election, show how serious this question is. More specifically, the leftist citizen is asking himself if the Euro-communist tendency in Greece should allow risking its existence, in which case the traditional Left will be monopolized by the orthodox--for many, the dogmatic--expression of the Left.

The dilemma becomes even more pressing. Because these elections will likely give KKE-Int. its last opportunity, the outcome is entirely connected with the role which KKE-Int. may--or could--play with the influence it can exercise on developments of the renovating Left.

3. The extremely conservative voter is certainly preoccupied with the question of whether he should insist on giving his support to an autonomous extreme-right wing or whether he should offer his support to the tottering New Democracy. The response of the voter in this category will be influenced by the outcome of the continuing flirtations of the New Democracy with the extreme Right and also by the final form that will be assumed by the partisan expression of the "uncompromising nation-mindedness."

4. For a significant segment of citizens who always supported the traditional Left there is--as mentioned earlier--the dilemma of whether to support the immediate task of "change" by giving their vote to PASOK or whether they should insist on supporting the parties of their choice (KKE or KKE-Int.) in order to contribute to their effort to claim as serious a role as possible.

As far as the voter who favors the Euro-communist trend is concerned the dilemma is not so acute since KKE-Int. (as mentioned above) is in danger of losing any hope of continuing the effort of renovating the communist movement. But for the voter, the follower or the friend of KKE, the dilemma is serious. Is he convinced that "change without the KKE is impossible" and that PASOK is not able to achieve anything more than a "succession" in power, or does he believe that KKE's demand, in the way it is presented almost as blackmail, reflects hegemonistic and patronizing tendencies?

Does he believe that PASOK is in a position to secure--in fact, more directly--more favorable fighting conditions and that it can at least open or prepare the way for the "change," even though he may not trust it as the agent that can bring the change to its completion?

The Thinking of the Independents

It is obvious that the questions, the dilemmas, the options facing a Greek citizen as the election nears are neither few nor simple. Every vote will have an effect on tomorrow, as much as it mortgages the future--and not just the near future... It shows--at least intimates--the direction the future political developments will take.

The multiplicity of questions concerns, of course, every Greek citizen. But it refers less to the "followers," much less to the party members, and much more to the unaffiliated or undecided voters.

The problem after that is how a citizen will set priorities and options, which possibilities he considers undesirable, and which developments he finds absolutely imperative...

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FORMER SUPREME COURT JUDGE ANALYZES PASOK PLATFORM

Athens I VRADYNI in Greek 31 Jul 81 pp 1, 3

[Article by Andonios G. Floros, honorary president of Areios Pagos: "PASOK's Platform and Common Sense..."]

[Text] The publication of the PASOK platform, especially of its Part II which refers to major issues of foreign policy, provoked a strong criticism indeed by Premier G. Rallis. Such a critical response is certainly within the context of our democratic system and does not mean insults and derogatory remarks. However, A. Papandreou does not always avoid such insults and slanders. In his oppositional fervor he actually reached the extreme point of characterizing G. Rallis--a man admittedly polite and admittedly serious--as "ridiculous." But in addition to such insults which are not in keeping with the democratic dialogue nor with elementary decency and good manners, [Papandreou] accuses the premier of "deliberately and shamelessly distorting PASOK's platform positions using methods incompatible with that high office." He advises Rallis to read the platform.

The charge of deliberate, shameless distortion of Papandreou's platform positions is a grave accusation. For this reason I read once more Papandreou's published texts as an ordinary citizen with common, very ordinary intelligence, but accustomed to the study and understanding of texts after 36 years of judicial experience and my related activities for more than half a century. I found not a trace of distortion [by Rallis]. On the contrary, I found correct understanding and accurate identification of the national dangers inherent in the implementation of Papandreou's foreign policy. Here is why.

Papandreou places as the basic goal of his foreign policy Greece's withdrawal from NATO in the context "of a basic strategic orientation toward the dissolution of both NATO and the Warsaw Pact Organization." With regard to this, it is accurately pointed out that PASOK must explain how it visualizes the dissolution of the two military camps. Does he find it sufficient to have both pacts--the North Atlantic Treaty and the Warsaw Pact--abolished? If that is the case then he is partial to one camp over the other. He wants the complete demolition of the balance of power in Europe. Because, it is further pointed out, NATO is an alliance of free and independent states so that if the treaty on which it is based is abolished any alliance ties among them will be automatically terminated. This means that the dissolution of the Western Alliance will be complete and real, but this does not apply to the Eastern Alliance because the simple abolition of the Warsaw Pact will not automatically lead to the end of the camp because the

Eastern camp existed before the Warsaw Pact and will continue to exist after its abolition. Its real dissolution will not come until the current satellites of the Soviet Union regain their independence. Consequently, since PASOK does not put this question on this basis, in reality it supports the dissolution of the Western Alliance only. PASOK, thus, aligns itself in this vital question of Europe's security and peace with the Soviet foreign policy which it supports in almost all of its other objectives in the European continent.

Where, then, is the "shameless" distortion of PASOK's platform positions when the above are easily understood by anyone who has followed the Papandreou statements and activities and has common knowledge? You have seen the clear-cut views of the socialist French President Mitterand, which are diametrically opposed to those of PASOK. And it is properly pointed out that if the Greek people want to have in Greece a policy similar to that of Mitterand, they cannot possibly vote for A. Papandreou, Mitterand's friend.

The government view holds: If we leave NATO where are we going to get armaments? Papandreou responds: But as long as we need NATO for armaments--that is, until our armaments industry is developed--we are not going to leave NATO. But, for God's sake, does Papandreou really think that the NATO allies are so stupid that we can pull the wool over their eyes with no trouble at all? Be that as it may, everybody knows that we are trying as NATO members to hold the military balance with Turkey and since we are not able to hold this balance on a permanent basis every year we have the amount of aid set in a way that we can keep the 7 to 10 ratio. But if we leave NATO, Turkey naturally will be armed abundantly, while we, isolated, are exposed to the rapacious claws of Turkey. Because as Foreign Minister K. Mitsotakis said in a TV interview, every alliance understandably helps its members while it does not help those who are not members.

Is this the shameless distortion of PASOK's positions? And is it unrealistic or an exaggeration the argument presented by New Democracy that the policy of our withdrawal from NATO serves the Turkish objectives and leaves internationally unprotected our national interests?

With regard to the other ambitious aims of A. Papandreou to become the one who will call the shots in international affairs and set up a new order, all that of course is plain naivete. As far as the economic policy is concerned, let us see what is happening now in France, with the socialist government which is waging the battle of the franc.

Finally, with regard to the simplification of the entrance examination periods and the democratization of justice, any prudent person feels deep apprehension. For all these reasons and many others, New Democracy has a national duty to intensify its effort and to enlighten the people, especially with regard to the handouts PASOK promises when it comes to power, which common logic tells us are not feasible. Nevertheless, deceiving the people by such means is unbearably anti-democratic.

It is also necessary to clarify what is this socialist constitution. With my limited knowledge of the law, I think and strongly believe that it means a single-party state. Let us not forget that the Soviet constitution, too, contains a whole list of individual rights but it states that all these must be used for the consolidation and expansion of socialism.

In addition, it is necessary to identify the effects [PASOK's] economic program will have on the properties of the citizens. Is there a danger that instead of making the proletarians property owners the property owners are made proletarians, as the late Georgios Papandreu used to say? Of course property may be taken over by the state for the public good, but only after compensation is paid. But when the compensation is in the form of bonds that cannot be exchanged for something of equal value then this is confiscation.

The question as to the time of the election was also raised. The argument was made that it is unconstitutional to dissolve the Chamber of Deputies before the end of its term (20 November). This view is erroneous. If the chamber formally stays on until 20 November, the election will be held in late December when, because of weather conditions, it will be difficult for many--especially the elderly--to vote which is contrary to our democratic constitution which must assure that all have the opportunity to exercise their franchise.

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COUNTERINTELLIGENCE FORCE SEEN AS INCOMPETENT

Hamburg DER SPIEGEL in German 17 Aug 81 pp 96-98

[Article: "Funeral Wreath Commando"]

[Text] Some 5,000 agents from East and West are running around almost undisturbed in Austria, the State Police being unable even to unmask communist spies in their own ranks.

The Austrians used to display righteous indignation whenever civil rightists and Charter 77 signatories were sentenced by the regime in Prague.

Their mass media would score "Husak's arbitrary rule" (DIE PRESSE), "tricks of terror" (KURIER) and "naked brutality" (KLEINE ZEITUNG).

Yet now they have reacted in a subdued manner to the sentence of regime critic Rudolf Battek--7 1/2 years' imprisonment, and thus by far the harshest yet.

Austria thinks it shares the blame for it, the evidence of the prosecution having originated at least in part with Czech intelligence Col Josef Hodic, who was able to spy among emigre circles in Vienna between 1977 and 1981 without being disturbed by the Austrian State Police.

When Hodic, himself a signatory of Charter 77, asked for asylum in Austria at one time, he was received with open arms. In record time the military historian received an apartment, Austrian citizenship and a good job at the Institute for International Affairs.

Without any surveillance whatever, he moved around among CSSR politicians in exile, up to former Central Committee Secretary Zdenek Mlynar. Not until Hodic unexpectedly returned to Czechoslovakia in late June 1981 did it dawn on the friendly Austrians that they had fallen for an agent from the neighboring country.

The dramatic defeat of the red-white-red counterintelligence has been causing insecurity since that time not only among emigres but among the Austrians themselves. The sophisticated PRESSE wanted to know whether "communist activist Hodic" had presented adequate proof that "his change of heart was as complete as he said it was."

Almost in identical terms Austrian editorial writers state that the credibility of Austrian neutrality is now in jeopardy, that the reputation of Austria, previously intact, of a state "able to guarantee the security of refugees" (KURIER) has been shaken.

As for the last point, the shocked papers are exaggerating, however. Austria's reputation as a refugees' idyl in fact had never been intact for a moment. Even in the past no one who had sought freedom there could feel safe from murder, kidnaping or blackmail.

Experts have known for years that the Austrian State Police have never even approximately coped with their task. They are able to protect refugees from the East only inadequately and have hardly been able to disturb foreign spies.

In the 35 years of its existence, Austrian counterintelligence, either by doing too little or by doing too much, has repeatedly lent the most valuable aid to the East:

--In 1948-1949, for instance, it let KGB agents conduct a big offensive against their U.S. opponents. The U.S. military attache in Bucharest, Captain Karpe, fell out of the Orient Express in the Lueg Pass tunnel and was killed instantly. The deputy chief of mission of the European Relief Program (ERP), Irving Ross, was abducted in his own official car to an excavation pond in south Vienna and killed there.

--In 1960-1962 there occurred a dramatic series of kidnapings whose victims were exclusively anticommunists. For example, the Hungarian Stephan Molnar, the last survivor of the pro-Western information service GOLDENE STIEGE [Golden Stairway], disappeared behind the Iron Curtain, as did the Hungarian Aurel Abranyi, co-author of the brochure "A Country in Flames--the Hungarian Sacrifice," and former Eastern agent Emil Svec, a Czech.

--In 1962 Bela Lapusnyk, a Hungarian officer who had defected, died despite or because of surveillance by the State Police at the Vienna General Hospital as a result of an extremely mysterious poisoning. He had on him a list of Hungarian agents active in Austria.

--In 1968 it was revealed that former members of the State Police Johann Ableitinger and Norbert Kurz had supplied Czechoslovak intelligence with the minutes of interrogations of CSSR refugees.

--In the early seventies the State Police patiently looked the other way while Moscow KGB man Vadim Razbitnoy (officially a nuclear physicist at the International Atomic Energy Agency in Vienna) caused the return home of three Russians tired of the Soviet Union by using subterfuge and force.

--In 1979 the Austrians permitted the escape of the East German couple Herbert and Irene Beutler, who, according to the defector Stiller, were "supposed to build up a big Eastern espionage ring."

--In 1980 cryptographer Florian Rotaru defected from Ceausescu's embassy in Vienna. Evaluation of his material by the CIA showed that the Romanian Securitate had two valuable accomplices in the State Police in Vienna--the head of the police in charge of aliens, Hofrat Edgar Berger, and Department Inspector Josef Czernanski.

"What could we have done?" the State Police people asked in their defense ex post facto. "As long as the foreigners spy on one another, there is nothing we can do anyway. According to the laws here, one commits a criminal offense only if one engages in direct action against Austria."

They are just as much at a loss when it comes to handling spies in their own ranks. First, Kreisky's State Police (officially called Police Department I) are much too small for a country located on the seam between East and West. The complement is no more than 400 men.

A report by the Vienna WOCHENPRESSE was entirely credible: "Whenever the Russian ambassador is in a bad mood and nothing can cheer him up, one of his first secretaries tells him about the activity of the Austrian State Police. With Soviet intelligence in mind, he regards the activities of this country's mini enterprise as a series of amusing stories."

Secondly, that small bunch of 400 people lacks any kind of special training. Paradoxically, Austrian intelligence is made up of regular civil servants. Generally, of all people, those persons are assigned to it who were not good enough to deal with traffic offenders and petty thieves. State Police personnel with a knowledge of Russian, Hungarian or Czech are as rare as white elephants in multilingual Austria.

Thirdly, the State Police serve as a kind of state factotum for whom nothing can be too trivial.

Instead of keeping a concentrated watch over Austrian security, the paragon police stand around at receptions, note the arrival times of cabinet members at the Opera Ball and make a note of the wording of the various last greetings at Nazi funerals, which has earned them nickname of "funeral wreath commando."

Fourthly, the striking power of the State Police founders on the enemy within: the core of Austrian counterintelligence is riddled with communist accomplices. The West distrusts them entirely, the East in part. When CSSR diplomatic defector Bittmann in September 1969 warned against the "great unknown Eastern agent in the Ministry of the Interior in Vienna" the Klaus government made it known with an air of resignation that it knew about the leak.

This weakness toward the East is perhaps even the sole unbroken tradition of the Austrian State Police. It goes back to the end of the war.

Franz Honner, the first head of the Ministry of the Interior in the Second Republic, came from Tito. The KPÖ [Austrian Communist Party] official and former miner had fought with the partisans in Yugoslavia.

The "Honner police," which he built up from April to November 1945 under the auspices of Soviet occupation, took on a correspondingly red color. His State Police chief was communist Hofrat Duermayer.

It took a tenacious guerrilla war by social democratic Honner successor Oskar Helmer lasting several years to "Austrianize" the security force "more or less"--as Helmer put it.

It never was Austrianized completely. As late as half a year after the 1955 State Treaty and the departure of the Soviet troops, the KPÖe obtained 13 percent of the vote in the police works council elections at a time when the proportion of communists in the population as a whole amounted to not quite 4 percent.

To this day those who do good work at the State Police headquarters in Vienna feel they are fighting a lost cause. "If one of my colleagues displays exceptional industriousness, I immediately suspect that he has a foot in two camps," says a veteran official describing the prevailing atmosphere of latent suspicion.

Grotesque but true. Thanks to this basic state of affairs, little Austria has developed into a James Bond paradise. At present the number of professional Eastern agents in the country is estimated at 3,500 and that of the Western ones at 2,000 to 2,500. "Vienna is the espionage stronghold of the world," the INTERNATIONAL HERALD TRIBUNE states amused.

Such a reputation constitutes an obligation, and no one in Austria really dares hope that the "return home of meritorious agent J. H." (as party paper RUDE PRAVO wrote about the celebrated spy Josef Hodic) might be the last of the long series of State Police failures. "There is bound to be another fiasco," an insider says somberly.

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